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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 20, 2011

James Patten
Red Leaf Resources, Inc.
200 West Civic Center Drive, Suite 190
Sandy, Utah 84070

Subject: Conditional Tentative Approval to Commence Large Mining Red Leaf Resources,
Southwest #1, M/047/0103, Uintah County, Utah

Dear Dr. Patten:

The Division of Oil, Gas and Mining has completed a review of your latest response regarding the referenced Notice of Intention to Commence Large Mining Operations (Notice), received October 7, 2011. The Division tentatively approves the Notice for the Southwest #1 mine, with the condition outlined below.

Condition 1:

Thirty days (30) prior to ground disturbance, please include in the plan either a groundwater discharge permit (including a permit by rule) from the Utah Division of Water Quality (DWQ), or a letter saying a permit is not required.

The notice of tentative approval will be published in the appropriate Salt Lake City and Uintah County newspapers. This will begin a 30-day public comment period. The Division will also notify the Resource Development Coordinating Committee (RDCC). If no substantive comments are received during the public comment period, the Division will then issue its final approval for this project. Changes to the Notice may be needed if substantive comments are received.

Prior to issuing final approval, we require that you provide us with:

1. Two copies of the complete and corrected plan. When final approval is issued, one copy will be stamped "approved" and returned to you for your records. You may desire to update the copies of the plan the Division has already received.

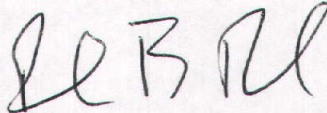


Page 2 of 2
James Patten
M/047/0103
October 20, 2011

2. A Reclamation Contract (Form MR-RC) and reclamation surety in the amount of \$3,776,000. Please contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov to obtain the appropriate bond and reclamation contract forms.
3. If available, an electronic copy of the mine disturbed area in the original autocad, shape, or other file format. Please include the projection and datum information with this file. Contact danielsmith@utah.gov, (801)538-5292 for further information or questions.

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at 801-538-5261 or Leslie Heppler at 538-5257.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB:eb

cc : SITLA- JBlake@utah.gov

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